

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

WS-04235A
Utility Source, L.L.C. - *Water*
721 E. San Pedro
Gilbert, AZ 85234

U

RECEIVED

APR 17 2006

**Z Corporation Commissic
Director of Utilities**

ANNUAL REPORT

FOR YEAR ENDING

12	31	2005
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FOR COMMISSION USE

ANN04	05
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*entered
4-17-06
RF*

COMPANY INFORMATION

Company Name (Business Name) <u>Utility Source, L.L.C.</u>		
Mailing Address <u>721 E San Pedro</u>		
<u>Gilbert</u>	<u>Arizona</u>	<u>85234</u>
(City)	(State)	(Zip)
<u>(480) 892-8756</u>	<u>(480) 892-3387</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address _____		
Local Office Mailing Address <u>saa</u>		
(City)	(State)	(Zip)
<u></u>	<u></u>	<u></u>
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address _____		

MANAGEMENT INFORMATION

Management Contact: <u>Pat Carpenter</u>				<u>A Quality Water</u>
(Name)			(Title)	
<u>2879 S Andrews</u>	<u>Williams</u>	<u>Arizona</u>	<u>86046</u>	
(Street)	(City)	(State)	(Zip)	
<u>(928) 606-0498</u>				
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)		
Email Address _____				
On Site Manager: <u>saa</u>				
(Name)				
(Street)	(City)	(State)	(Zip)	
<u></u>	<u></u>	<u></u>	<u></u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)		
Email Address _____				

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Sallquist & Drummond, P.C. Richard L. Sallquist
 (Name)

2525 E Arizona Biltmore Circle #A117 Phoenix Arizona 85016
 (Street) (City) (State) (Zip)

(602) 224-9222
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: saa
 (Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input checked="" type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|-----------------------------------|--|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input checked="" type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME **Utility Source, L.L.C.**

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	210,000		210,000
304	Structures and Improvements	109,250	2,731	106,519
307	Wells and Springs	2,233,883	74,388	2,159,495
311	Pumping Equipment	161,494	20,187	141,307
320	Water Treatment Equipment	5,487	183	5,304
330	Distribution Reservoirs and Standpipes	345,000	7,659	337,341
331	Transmission and Distribution Mains	147,200	2,944	144,256
333	Services	86,250	2,872	83,378
334	Meters and Meter Installations			
335	Hydrants	34,500	690	33,810
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	3,420,464	116,024	3,304,440

This amount goes on the Balance Sheet Acct. No. 108

310	Power Generation Equipment	87,400	4,370	83,030
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COMPANY NAME **Utility Source, L.L.C.**

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	210,000		-0-
304	Structures and Improvements	109,250	2.5 %	2,731
307	Wells and Springs	2,233,883	3.33%	74,388
311	Pumping Equipment	161,494	12.5 %	20,187
320	Water Treatment Equipment	5,487	3.33%	183
330	Distribution Reservoirs and Standpipes	345,000	2.22%	7,659
331	Transmission and Distribution Mains	147,200	2 %	2,944
333	Services	86,250	3.33%	2,872
334	Meters and Meter Installations			
335	Hydrants	34,500	2 %	690
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	3,420,464		116,024

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

310	Power Generation Equipment	87,400	5 %	4,370
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COMPANY NAME **Utility Source, L.L.C.**

BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 22,589.47	\$ 1,882.89
132	Special Deposits		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	14,144.66	20,039.24
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 36,734.13	\$ 21,922.13
	FIXED ASSETS		
101	Utility Plant in Service	\$	\$ 3,420,464.00
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant		(116,024.00)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 0.00	\$ 3,304,440.00
	TOTAL ASSETS	\$ 36,734.13	\$ 3,326,362.13

NOTE: Total Assets on this page should equal Total Liabilities and Capital on the following page.

BALANCE SHEET (CONTINUED)

Acct No.		BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
230	Sales Tax Payable	117.62	623.13
	CURRENT LIABILITIES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 117.62	\$ 623.13
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
252	Advances in Aid of Construction	\$	\$
253	Other Deferred Credits		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$ 117.62	\$ 623.13
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Other Paid in Capital		
215	Retained Earnings	(23,511.99)	(166,220.13)
218	Proprietary Capital (Sole Props and Partnerships)	60,128.50	3,491,959.13
	TOTAL CAPITAL	\$ 36,616.51	\$ 3,325,739.00
	TOTAL LIABILITIES AND CAPITAL	\$ 36,734.13	\$ 3,326,362.13

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 34,774.71	\$ 59,266.12
460	Unmetered Water Revenue	11,722.88	23,723.20
474	Other Water Revenues		1,657.42
	TOTAL REVENUES	\$ 46,497.59	\$ 84,646.74
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	18,047.31	36,292.25
618	Chemicals		530.16
620	Repairs and Maintenance	2,417.70	8,746.78
621	Office Supplies and Expense	181.00	4,292.25
630	Outside Services	33,661.91	20,630.38
635	Water Testing	15,480.60	8,552.61
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	221.06	30,722.13
403	Depreciation Expense		116,024.00
408	Taxes Other Than Income		
408.11	Property Taxes		1,564.32
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 70,009.58	\$ 227,354.88
	OPERATING INCOME/(LOSS)	\$ (23,511.99)	\$ (142,708.14)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$ 0.00	\$ 0.00
	NET INCOME/(LOSS)	\$ (23,511.99)	\$ (142,708.14)

COMPANY NAME	Utility Source, L.L.C.
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SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ -0-

Meter Deposits Refunded During the Test Year

\$ -0-

COMPANY NAME **Utility Source, L.L.C.**

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-203241	125 hp	72 gpm	2,801'	10"	2"	2004
55-598834	50 hp	23 gpm	2,100'	8"	2"	2003
55-593267	10 hp	11 gpm	1,947'	8"	2"	2002
55-559096	2 hp	7 gpm	240'	6"	2"	1997
see attached for additional						

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
15 hp	2	33	
75 hp	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
422,000 gal	1		
258,000 gal	1		

ADWR ID Number	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (Inches)	Year Drilled
55-598623	2 hp	10 gpm	300'	6"		2004
55-564258	2 hp	12 gpm	300'	7"		1998
55-515324	1 hp	5 gpm	105'	8"		1987
55-503545	1hp	10 gpm	215'	7"		1982
55-206887		371 gpm	2908'	16"		2005

COMPANY NAME Utility Source, L.L.C.

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6	C-900	900
8	C-900	14,563
10		
12	C-900	5,860

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	
3/4	326
1	
1 1/2	3
2	1
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

Peristaltic pump for cl2 injection

STRUCTURES:

1 - Pumphouse

2 - Well houses & storage facility

6' retaining wall around facility; 400' in length

OTHER:

COMPANY NAME: Utility Source, L.L.C.

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	277	1,356,101	1,356,101
FEBRUARY	285	1,264,269	1,264,269
MARCH	289	1,367,530	1,367,530
APRIL	298	1,505,020	1,505,020
MAY	302	1,725,240	1,725,240
JUNE	302	2,196,920	2,196,920
JULY	308	2,453,320	2,453,320
AUGUST	320	2,166,730	2,166,730
SEPTEMBER	348	2,111,040	2,111,040
OCTOBER	375	1,815,370	1,815,370
NOVEMBER	366	1,669,570	1,669,570
DECEMBER	352	1,607,370	1,607,370
TOTAL		21,238,460	21,238,460

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes (x) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (x) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. ^(less than) .003 mg/l
(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Utility Source, L.L.C. YEAR ENDING 12/31/2005

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2005 was: \$ 1,564.32

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

REG. 3.1.2004

FLAGSTAFF AZ 8600

TRACT DESCRIPTION: SECT 36 T22N R9E SE ACRES 6.17 USE 0024
 COR SW4 SEC 36 T22N SE DESC AS FLLWS: BEG SW COR SEC 36: TH N
 11-34-10 W 226.39 TO POB: TH N 01-04-20 W 438.71 TH S 89-48-40
 1-306.46 TH S 00-21-59 E 370.18 TH S 89-38-34 W 33.94 TH S
 10-11-31 W 223.1 TH N 89-45-52 W 113.88 TH NW4 SEC 36: ALNG
 CORVE: TH N 87-29-06 W 155.30 TO POB

TAX ROLL NUMBER

29482

PARCEL IDENTIFICATION

203-47-003A 4

TAX AREA CODE

0113

* IMPORTANT - SEE REVERSE SIDE
 FOR COMPLETE EXPLANATION OF
 YOUR 2004 TAX NOTICE AND
 PAYMENT INSTRUCTIONS.

2004 TAX SUMMARY (3)

PRIMARY AD VALOREM TAX	9097
LESS STATE AID TO EDUCATION	0
NET PRIMARY AD VALOREM TAX	9097
SECONDARY AD VALOREM TAX	6545
SPECIAL DISTRICT TAX	0

PAY TOTAL OR HALF TAX

TOTAL TAX DUE	15643
HALF TAX	7821

DUE DATES

1st HALF OCT. 1, 2004

2nd HALF MARCH 1, 2005

THIS IS THE ONLY NOTICE YOU WILL RECEIVE
 NO RECEIPT WILL BE SENT UNLESS REQUESTED

PRIMARY PROPERTY TAX CALCULATION (1)

ITEM	LIMITED VALUE	ASSTMT	ASSESSED VALUE	EXEMPTION	TAX RATE	AD VALOREM TAX
LAND/IMPROVEMENTS ETC.	108755	160	17081	0	5326	9097
PERSONAL PROPERTY	0	0	0	0	0	0
TOTALS	108755	160	17081	0	5326	9097

SECONDARY PROPERTY TAX CALCULATION (2)

ITEM	EXC. CASE VALUE	ASSTMT	ASSESSED VALUE	EXEMPTION	TAX RATE	AD VALOREM TAX
LAND	108678	160	17388	0	37844	6545
IMPROVEMENTS ETC.	0	0	0	0	0	0
PERSONAL PROPERTY	0	0	0	0	0	0
TOTALS	108678	160	17388	0	37844	6545

2003-2004 TAX COMPARISON (4)

TAX CODE	TAX JURISDICTION	2004 PRIMARY	2004 SECONDARY	2004 TOTAL	2003 TOTAL	DIFFERENCE
2000	COCONINO COUNTY	8120	00	8120	7380	740
2001	SCHOOL EQUALIZATION	7789	00	7789	7325	464
2001	FLAGSTAFF SD #1	58124	30174	98298	101709	-3411
2150	COMMUNITY COLLEGE	6943	2773	9716	9279	437
1525	PARKS/BELLMONT	00	26082	26082	26082	0
1900	FIRE DISTRICT ASSISTANCE FUND	00	1739	1739	1739	0
4000	COCONINO CO LIBRARY DIS #77-58	00	3302	3302	3302	0
5000	COCONINO COUNTY FCD #34-41	00	1386	1386	1386	0
	TOTALS	90978	65456	156432	158202	-1770

TEAR OFF ALONG DOTTED LINES

PLEASE ALLOW 30 DAYS FOR PAYMENT PROCESSING

TEAR OFF ALONG DOTTED LINES

PLEASE RETURN THIS PORTION WITH PAYMENT

ALL CHECKS PAYABLE TO:

SONNY K. KRASKE

COCONINO CO TREAS.

110 E CHERRY AVE

FLAGSTAFF AZ 86001

TAX ROLL NUMBER

29482

PARCEL IDENTIFICATION

203-47-003A 4

TAX AREA CODE

0113

FUELCO TRAVEL CENTER LI

721 E SAN PEDRO

GILBERT AZ85234

TOTAL TAX DUE IS \$15643.20 OR LESS. FULL AMOUNT IS DUE NOW.

FOR PAYMENT INSTRUCTIONS ON REVERSE SIDE OF NOTICE.

PLEASE ALLOW 30 DAYS FOR PAYMENT PROCESSING.

2004 2ND HALF COUPON

2ND HALF PAY 782.16

IF 2ND HALF TAXES DELINQUENT AFTER MAY 1, 2005



0320347003014200400000078216

TAX FORM 4793C CO3 (7/2/2004)

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

RECEIVED

APR 17 2005

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME) Coconino
NAME (OWNER OR OFFICIAL) TITLE Z Corporation Commissic Director of Utilities
COMPANY NAME Utility Source, L.L.C.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING


MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



SIGNATURE OF OWNER OR OFFICIAL

(480) 988-2500

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

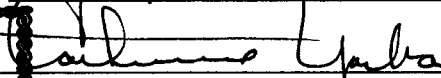
14th

DAY OF

COUNTY NAME	<u>Maricopa</u>	
MONTH	<u>April</u>	<u>2006</u>



MY COMMISSION



SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Utility Source, L.L.C. YEAR ENDING 12/31/2005

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>-0-</u>
Estimated or Actual Federal Tax Liability	<u>-0-</u>

State Taxable Income Reported	<u>-0-</u>
Estimated or Actual State Tax Liability	<u>-0-</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>-0-</u>
Amount of Gross-Up Tax Collected	<u></u>
Total Grossed-Up Contributions/Advances	<u>-0-</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

4/14/06
DATE

Gary Bulechek
PRINTED NAME

Member
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

APR 17 2006

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
<u>Cocconino</u>
NAME (OWNER OR OFFICIAL) TITLE
COMPANY NAME
<u>Utility Source, L.L.C.</u>

**Z Corporation Commission
Director of Utilities**

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 90,081,46

(THE AMOUNT IN BOX ABOVE

INCLUDES \$ 5,434,72

IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Ray Bullock
SIGNATURE OF OWNER OR OFFICIAL
(480) 988-2500
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

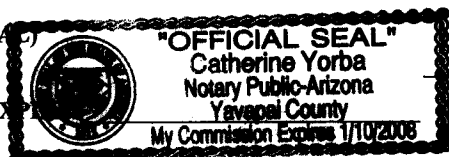
THIS

14th

DAY OF

COUNTY NAME	<u>Maricopa</u>
MONTH	<u>April</u>
	<u>2006</u>

(SEAL)



MY COMMISSION EXPIRES

Catherine Yorba
SIGNATURE OF NOTARY PUBLIC

RECEIVED

APR 17 2006

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY

Corporation Commissic
Director of Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Cocconine	
NAME (OWNER OR OFFICIAL)	TITLE
COMPANY NAME Utility Source, L.L.C.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 80,650.80

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 4,860.60
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

Shay B. B. B.
SIGNATURE OF OWNER OR OFFICIAL

(480) 988-2500

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

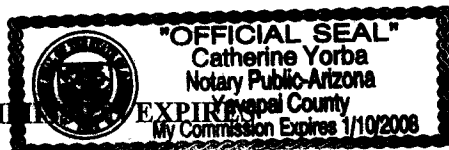
14th

DAY OF

NOTARY PUBLIC NAME Catherine Yorba	
COUNTY NAME Maricopa	
MONTH April	YEAR 2006

(SEAL)

MY COM



X *Catherine Yorba*
SIGNATURE OF NOTARY PUBLIC